

## TARIFF ACTION MEMORANDUM

Date: February 18, 2022

File: TA394-121  
TA516-8

Date TA Filed: January 14, 2022

Statutory End Date: February 28, 2022

Name of Utility: Chugach Electric Association, Inc.

Description: Chugach Electric Association, Inc. (Chugach) seeks to increase its net metering capacity limit from 1.5% to 5.0% of its average retail demand.

### Tariff Recommendations:

Staff recommends the Commission:

- 1) Grant the request of Chugach to increase the total nameplate capacity of eligible net metering customers from 1.5% to 5.0% of its average retail demand.
- 2) Approve Tariff Sheet Nos. 89.3, 89.3.2, and 89.3.3, filed by Chugach for the South District operation on January 14, 2022, with TA516-8, as shown on Attachment 1. The effective date of the tariff sheets should be February 28, 2022.
- 3) Approve Tariff Sheet Nos. 55, 55.1, 55.2, and 56, filed by Chugach for the North District operation on January 14, 2022, with TA394-121, as shown on Attachment 2. The effective date of the tariff sheets should be February 28, 2022.

### Reasons for the above indicated recommendation:

See attached memorandum.

Signed: John Paul Manaois Title: Common Carrier Specialist  
Jess Manaois

Commission decision re this recommendation:

	DATE (If different than 2/18/2022)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT*
Pickett		<u>RMP</u>		
Kurber	<u>2/22/22</u>	<u>KKI</u>		
Scott	<u>2/22/2022</u>	<u>AGS</u>		
Sullivan		<u>DS</u>		
Wilson	<u>2/22/22</u>	<u>Jaw</u>		

### **Special Instructions to Staff:**

\*If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, the dissent will simply be noted at the close of the By Direction Letter Order.

STATE OF ALASKA  
**The Regulatory Commission of Alaska**  
701 West 8<sup>th</sup> Ave., Suite 300  
Anchorage, Alaska 99501-3469

**M E M O R A N D U M**

**To:** Robert M. Pickett, Chairman  
Keith Kurber II  
Antony Scott  
Daniel A. Sullivan  
Janis W. Wilson

**Date:** February 18, 2022

**File:** TA394–121/TA516-8

**From:** <sup>JM</sup> Jess Manaois, Common Carrier Specialist

**Subject:** TA394–121/TA516-8, Chugach Electric Association, Inc. to increase net metering limit

**EXECUTIVE SUMMARY**

Chugach Electric Association, Inc. (Chugach) seeks to increase its net metering capacity limit from 1.5% to 5.0% of its average retail demand.

**RECOMMENDATION**

Staff recommends the Commission:

- 1) Grant the request of Chugach to increase the total nameplate capacity of eligible net metering customers from 1.5% to 5.0% of its average retail demand.
- 2) Approve Tariff Sheet Nos. 55, 55.1, 55.2, and 56, filed by Chugach on January 14, 2022, with TA394–121; and Tariff Sheet Nos. 89.3, 89.3.2, and 89.3.3, filed by Chugach on January 14, 2022, with TA516–8. The effective date of the tariff sheets should be February 28, 2022.

**BACKGROUND**

On January 14, 2022, Chugach filed TA516–8 seeking approval from the Commission to increase the generation nameplate capacity for Chugach's net metering program for the South District under Certificate of Public and Convenience (Certificate) No. 121.<sup>1</sup> Chugach filed TA394–121 proposing to increase the nameplate capacity and align the proposed increase and service conditions for net metering service in Chugach's operating tariff for the South District under Certificate No. 121 with the service conditions under Certificate No. 8.<sup>2</sup>

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<sup>1</sup>See *Tariff Advice No. 394-121; Chugach Electric Association, Inc. Update to Net Metering Operating Tariff*, filed January 14, 2022 (TA394–121).

<sup>2</sup>See *Tariff Advice No. 516–8; Chugach Electric Association, Inc. Net Metering Capacity Limit*, filed January 14, 2022 (TA516–8).

The Commission issued a public notice for TA394–121 and TA516–8, with comments due on February 17, 2022. Cook Inlet Region, Inc. (CIRI) filed comments in support of Chugach’s proposed increase to its net metering capacity.<sup>3</sup>

## **ANALYSIS**

### *Net Metering*

Net metering allows a consumer to reduce their electric load requirement by interconnecting on-site renewable generation facilities (nameplate capacity of 25 kilowatts or less) to the utility’s distribution system. The amount of customer-generated power is compared to the customer’s electric consumption for the applicable billing period, with the customer either being billed for net electric consumption or receiving a bill credit for generating more electricity than used in a billing period. The regulations for net metering programs are set out at 3 AAC 50.900 through 3 AAC 50.949.<sup>4</sup>

Subsection [3 AAC 50.910](#)(b) establishes an overall capacity limitation on net metering, allowing an electric utility to refuse net metering service if the overall nameplate capacity of all net metering systems interconnected with the utility exceeds the pre-defined cap established by regulation (i.e., 1.5 percent of the electric utility’s average retail demand).<sup>5</sup> Under 3 AAC 50.910(e), an electric utility may seek an increase in its net metering capacity threshold by filing a tariff advice letter.<sup>6</sup>

Chugach’s operating tariffs provide for retail members to install their own renewable generation and receive electric service under a net metering tariff.<sup>7</sup> Chugach’s tariff currently limits the nameplate capacity of net metering installations to not more than 1.5 percent of average retail demand. Chugach notes that under the current threshold and average retail demand,<sup>8</sup> up to 3,368 kW eligible consumer generation capacity can interconnect with Chugach’s facilities.<sup>9</sup> However, Chugach contends that the capacity of all net metered installations on the Chugach system, as of

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<sup>3</sup>See letter from Ms. Settle (CIRI), *Re: Tariff Advice Letter Nos. 516-8 and 394-121*, dated January 19, 2022 (CIRI Comments).

<sup>4</sup>The Commission adopted the regulations in [Order R-09-001\(4\)](#), *Order Readopting Regulations*, issued April 26, 2010.

<sup>5</sup>3 AAC 50.910(b) states, in pertinent part,

An electric utility may refuse to interconnect with a consumer requesting net metering, if interconnection would cause the total nameplate capacity of all eligible consumer generation systems participating in the net metering program to exceed 1.5 percent of the electric utility’s average retail demand stated in the electric utility’s tariff as required in (d) of this section.

<sup>6</sup>3 AAC 50.910(e) states

An electric utility may request, by tariff advice letter, to use a limit on total nameplate capacity of eligible consumer generation systems participating in the net metering program above 1.5 percent of the electric utility’s average retail demand.

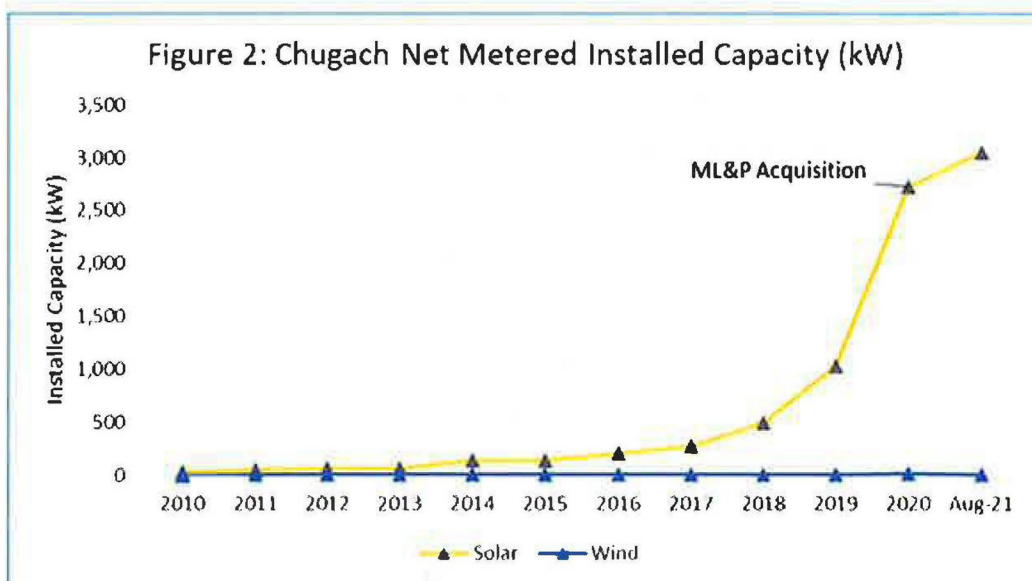
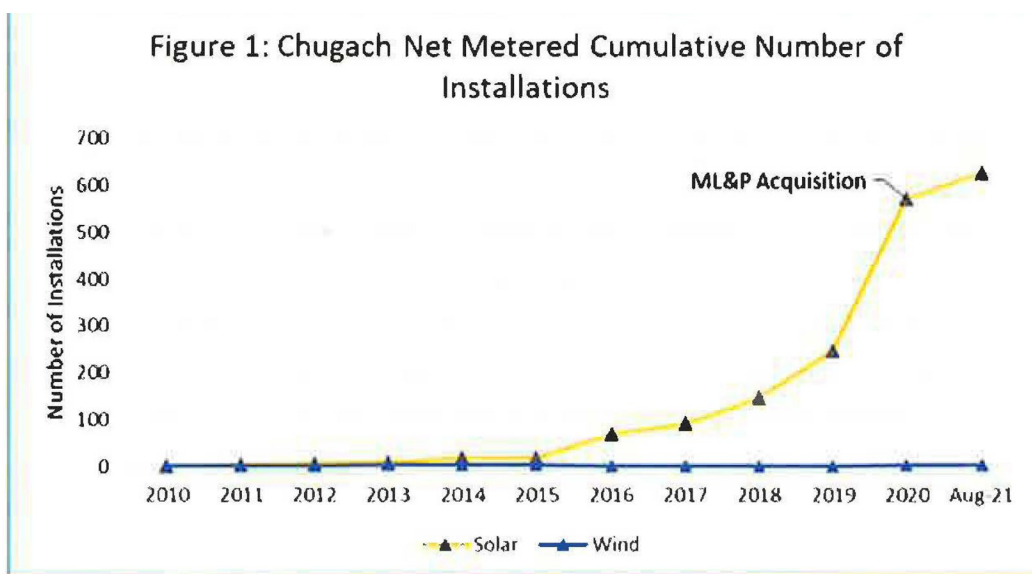
<sup>7</sup>Chugach’s tariff rules for net metering for the [South District](#) are set out in Tariff Sheet Nos. 89.3, 89.3.1, 89.3.2, 89.3.3. Chugach’s net metering tariff for the [North District](#) are set out in Section 10, Tariff Sheet Nos. 55 – 56

<sup>8</sup>Chugach latest report indicates an average retail demand of 224,507.43 kilowatts (kW); see [L2100092](#).

<sup>9</sup>224,507.43 kW (average retail demand) x 1.5% = 3,367.61 kW.

August 2021, has increased to 3,063 kW, or 91 percent of the allowable capacity under the net metering tariff. That leaves Chugach about 305 kW of capacity for additional net metered customers.<sup>10</sup>

Chugach states that the number of net metered connections has increased significantly over the past three years, and Chugach expects to surpass the cap in the first half of 2022. Chugach provided Figure 1 below showing the number of net metered connections, and Figure 2 that shows the nameplate generation capacity of the net metered customers from 2010 through mid-2021.<sup>11</sup>



The graphs indicate continuing increase of net metered installation and corresponding capacity. In accordance with 3 AAC 50.910(e), Chugach is requesting to increase the total nameplate

<sup>10</sup>TA535-8 at 2.

<sup>11</sup>TA535-8 at 2.

capacity of eligible net metering customers from 1.5 percent to 5 percent of average retail demand. Chugach provided a copy of a motion by the Chugach Board of Directors authorizing the utility's Chief Executive Officer to file a request with the Commission to increase Chugach's tariffed net metering cap from 1.5 percent to 5 percent of average retail demand.<sup>12</sup> Chugach states the proposed higher threshold will allow Chugach up to 11,225 kW of renewable generation under its net metering tariff.<sup>13</sup> Chugach contends that with the proposed increase in the cap, the impact of net metering installations on the Chugach system shifts cost responsibility by approximately \$0.33 million from net metered participants to all members on the system, for an approximate retail bill impact of 0.09 percent.<sup>14</sup>

### *Public Comments*

CIRI supports Chugach's proposed increase to the net metering capacity threshold because it provides incentive for members to develop their own power systems and helps expand Alaska's portfolio in renewable energy. CIRI also contends that net metering encourages the development of distributed generation sources that enhance grid resiliency.<sup>15</sup>

### *Staff Opinion*

Increasing the capacity limit from 1.5 percent to 5 percent would allow Chugach the ability to offer net metering up to 11,225 kW capacity for 2022. This would allow Chugach to ensure continued interconnections to customers wishing to participate in the net metering program.

Additionally, Chugach's Board of Directors approved a resolution endorsing the increase of the net metering capacity threshold. With an increasing participation in the net metering program, Chugach has proactively requested an increase of the percentage used to calculate the net metering capacity limit so future customers can participate in the net metering program. Based on the above, Staff believes that Chugach's request to increase to the capacity of its net metering program is prudent and therefore recommends the Commission approve the request. Further, the cost shift contemplated by Chugach will occur only if the 5 percent threshold is actually met, which may be a while off, and represents the will of Chugach's Board of Directors to increase the customer supplied renewable energy.

### *Revisions to Tariff Sheets*

With TA516-8, Chugach proposes amendment to Tariff Sheet Nos. 89.3, 89.3.2, and 89.3.3, to reflect the proposed increase of Chugach's net metering capacity from 1.5 percent to 5 percent of average retail demand, and in terms of energy, from 3,367.61 kW to 11,255.37 kW.

With TA394-121, Chugach proposes revisions to Tariff Sheet Nos. 55, 55.1, 55.2, and 56 to match the language of the South District for net metering and the proposed changes filed with TA516-8.

Staff reviewed the tariff sheets and believes that the proposed tariff revisions are reasonable, and

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<sup>12</sup>TA516-8, Attachment 1.

<sup>13</sup>TA516-8 at 3.

<sup>14</sup>TA516-8 at 2-3.

<sup>15</sup>CIRI Comments at 1.

should therefore be approved.

### **CONCLUSION**

Due to an increase in net metering participation, Chugach has requested authorization to increase its net metering capacity limit from 1.5% to 5.0% of its average retail demand. The increased limit will allow Chugach to offer the net metering program for potential future participants without interruption. Therefore, Staff recommends the Commission:

- 1) Grant the request of Chugach to increase the total nameplate capacity of eligible net metering customers from 1.5% to 5.0% of its average retail demand.
- 2) Approve Tariff Sheet Nos. 55, 55.1, 55.2, and 56, filed by Chugach on January 14, 2022, with TA394–121; and Tariff Sheet Nos. 89.3, 89.3.2, and 89.3.3, filed by Chugach on January 14, 2022, with TA516–8. The effective date of the tariff sheets should be February 28, 2022.

**Signature:** 

**Email:** bob.pickett@alaska.gov

**Signature:**   
Keith Kurber II (Feb 22, 2022 07:41 AKST)

**Email:** keith.kurber@alaska.gov

**Signature:** 

**Email:** antony.scott@alaska.gov

**Signature:**   
Daniel Sullivan (Feb 22, 2022 11:22 AKST)

**Email:** daniel.sullivan@alaska.gov

**Signature:**   
Janis W. Wilson (Feb 22, 2022 14:31 AKST)

**Email:** janis.wilson@alaska.gov

RCA No.: 8 Original Sheet No.: 89.3

Sheet No.: 89.3

Chugach Electric Association, Inc.

**NET METERING SERVICE**  
(Applicable to Eligible On-Site Generation Systems 25 kW or Less)

Available on a first-come, first served basis to retail customers that operate and own or lease eligible on-site generation system(s) that are interconnected and operate in parallel with Chugach's distribution facilities. Generation systems shall contain a nameplate capacity of 25 kW or less per customer premises and be used primarily to offset part or all of the consumer's electric energy requirements.

Service under this schedule is available until the cumulative nameplate generating capacity of all retail net metered systems equals 1.5 percent of Chugach's average retail system demand. Chugach may limit net metering installations in portions of its distribution system that are reasonably necessary to address system stability constraints or other operational issues.

**Monthly Rates**

Electric bills for net metered consumers shall be computed in accordance with the applicable retail service rates contained in this operating tariff, with electric energy (kWh) calculated as follows:

- 1) If Chugach furnished more electric energy to the consumer than the consumer supplied to Chugach during the monthly billing period, Chugach shall bill the consumer for the number of kWh of net electric energy supplied by Chugach to the consumer at the applicable retail rates contained in the operating tariff; or
- 2) If the consumer supplied more electric energy to Chugach than Chugach supplied to the consumer during the monthly billing period, Chugach shall credit the consumer's account with an amount derived by multiplying the kWh of net electric energy supplied by the consumer to Chugach by the non-firm buyback power rate contained on Tariff Sheet No. 97.

Dollar amounts credited to the account of a net metered consumer shall be used to reduce amounts owed by the consumer in subsequent monthly billing periods. Dollar amounts credited do not expire or otherwise revert to Chugach. Unused credits will be paid to the consumer in the event electric service is terminated.

Tariff Advice No.: 318-8

Effective: August 2, 2010

Issued by: Chugach Electric Association, Inc.  
P.O. Box 196300, Anchorage, Alaska 99519-6300

By:

*Bradley W. Evans*  
Bradley W. Evans

Title: Chief Executive Officer

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JUN 17 2010

STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

RCA No. 8

1<sup>st</sup>

Sheet No. 89.3



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Sheet No. 89.3

Chugach Electric Association, Inc.



**NET METERING SERVICE**  
(Applicable to Eligible On-Site Generation Systems 25 kW or Less)

Available on a first-come, first served basis to retail customers that operate and own or lease eligible on-site generation system(s) that are interconnected and operate in parallel with Chugach's distribution facilities. Generation systems shall contain a nameplate capacity of 25 kW or less per customer premises and be used primarily to offset part or all of the consumer's electric energy requirements.

Service under this schedule is available until the cumulative nameplate generating capacity of all retail net metered systems equals 5.0 percent of Chugach's average retail system demand. Chugach may limit net metering installations in portions of its distribution system that are reasonably necessary to address system stability constraints or other operational issues.

**Monthly Rates**

Electric bills for net metered consumers shall be computed in accordance with the applicable retail service rates contained in this operating tariff, with electric energy (kWh) calculated as follows:

- 1) If Chugach furnished more electric energy to the consumer than the consumer supplied to Chugach during the monthly billing period, Chugach shall bill the consumer for the number of kWh of net electric energy supplied by Chugach to the consumer at the applicable retail rates contained in the operating tariff; or
- 2) If the consumer supplied more electric energy to Chugach than Chugach supplied to the consumer during the monthly billing period, Chugach shall credit the consumer's account with an amount derived by multiplying the kWh of net electric energy supplied by the consumer to Chugach by the non-firm buyback power rate contained on Tariff Sheet No. 97.

Dollar amounts credited to the account of a net metered consumer shall be used to reduce amounts owed by the consumer in subsequent monthly billing periods. Dollar amounts credited do not expire or otherwise revert to Chugach. Unused credits will be paid to the consumer in the event electric service is terminated.

Tariff Advice No. 516-8

Issued by:

Effective: February 28, 2022

Chugach Electric Association, Inc.

P.O. Box 196300 Anchorage, Alaska 99519-6300



RCA No.: 8 Original Sheet No.: 89.3.2

Sheet No.: 89.3.2

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STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

Chugach Electric Association, Inc.

NET METERING SERVICE (CONTINUED)  
(Applicable to Eligible On-Site Generation Systems 25 kW or Less)

Conditions (Continued)

c. Generate electric energy from one or more of the following sources:

- (A) Solar photovoltaic and solar thermal energy;
- (B) Wind energy;
- (C) Biomass energy, including landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters, or municipal solid waste;
- (D) Hydroelectric, geothermal, hydrokinetic energy or ocean thermal energy; and,
- (E) Other sources as may be approved by the Regulatory Commission of Alaska that generally have similar environmental impacts.

d. Be operated and either owned or leased by the consumer, and

- (A) Have a total nameplate capacity of no more than 25 kilowatts per consumer premises;
- (B) Be located on the consumer premises;
- (C) Be used primarily to offset part or all of the consumer's requirements for electric energy; and
- (D) Include an inverter adequate to ensure the generated power is compatible with the Chugach system.

6) Chugach reserves the right to refuse net metering service to a customer if interconnection causes the total nameplate capacity of all eligible consumer generation systems participating in net metering to exceed 1.5 percent of Chugach's average retail demand.

7) Chugach will not terminate net metering service to any customer in the event Chugach's average retail demand decreases such that the nameplate capacity of existing net metered customers exceeds 1.5 percent of Chugach's average retail demand.

Tariff Advice No.: 318-8

Effective: August 2, 2010

Issued by: Chugach Electric Association, Inc.  
P.O. Box 196300, Anchorage, Alaska 99519-6300

By:

*Bradley W. Evans*  
Bradley W. Evans

Title: Chief Executive Officer

RCA No. 8

1<sup>st</sup>

Sheet No. 89.3.2



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Sheet No. 89.3.2

Chugach Electric Association, Inc.

TARIFF SECTION

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2022  
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NET METERING SERVICE (CONTINUED)  
(Applicable to Eligible On-Site Generation Systems 25 kW or Less)

Conditions (Continued)

c. Generate electric energy from one or more of the following sources:

- (A) Solar photovoltaic and solar thermal energy;
- (B) Wind energy;
- (C) Biomass energy, including landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters, or municipal solid waste;
- (D) Hydroelectric, geothermal, hydrokinetic energy or ocean thermal energy; and,
- (E) Other sources as may be approved by the Regulatory Commission of Alaska that generally have similar environmental impacts.

d. Be operated and either owned or leased by the consumer, and

- (A) Have a total nameplate capacity of no more than 25 kilowatts per consumer premises;
- (B) Be located on the consumer premises;
- (C) Be used primarily to offset part or all of the consumer's requirements for electric energy; and
- (D) Include an inverter adequate to ensure the generated power is compatible with the Chugach system.

6) Chugach reserves the right to refuse net metering service to a customer if interconnection causes the total nameplate capacity of all eligible consumer generation systems participating in net metering to exceed 5.0 percent of Chugach's average retail demand.

7) Chugach will not terminate net metering service to any customer in the event Chugach's average retail demand decreases such that the nameplate capacity of existing net metered customers exceeds 5.0 percent of Chugach's average retail demand.

Tariff Advice No. 516-8

Issued by:

Effective: February 28, 2022

Chugach Electric Association, Inc.  
P.O. Box 196300 Anchorage, Alaska 99519-6300



RCA No. 8 12<sup>th</sup> Sheet No. 89.3.3



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11<sup>th</sup> Sheet No. 89.3.3

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STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

Chugach Electric Association, Inc.

**NET METERING SERVICE (CONTINUED)**  
(Applicable to Eligible On-Site Generation Systems 25 kW or Less)

**Conditions (Continued)**

- 8) Chugach may request by tariff advice letter to adjust the limit on total nameplate capacity of eligible consumer generation systems participating in the net metering program above 1.5 percent of the electric utility's average retail demand.
- 9) Chugach reserves the right to limit net metering installations in portions of its distribution system that are reasonably necessary to address system stability constraints or other operational issues. Chugach shall notify the Commission no later than 30 days after refusal to interconnect with a consumer requesting net metering service.
- 10) Chugach may require the installation of additional metering equipment for net metering consumers, including the metering of individual generating facilities. For these installations, Chugach is responsible for all costs related to the purchase, installation, and maintenance of the additional metering equipment and the customer shall not be assessed any recurring charges for the additional metering equipment.
- 11) Chugach expects net metering customers to acquire liability insurance to cover any damages caused to the Chugach system by the consumer generation system, if that coverage is available at a reasonable cost to the consumer.
- 12) Pursuant to 3 AAC 50.910 (d), below is a summary of Chugach's average retail demand, maximum allowed nameplate capacity of eligible net metered generation facilities on north and south systems, and total nameplate capacity of net metered customers:
  - a. Average retail demand, calendar year 2020: 224,507.43 kW I,T
  - b. Maximum allowed net metered nameplate capacity, 1.5% of (a): 3,367.61 kW I,T
  - c. System net metered generation capacity: 2,744.41 kW I,T

Tariff Advice No. 502-8

Issued by:  
Chugach Electric Association, Inc.  
P.O. Box 196300 Anchorage, Alaska 99519-6300

Effective: April 12, 2021

RCA No. 8 13<sup>th</sup> Sheet No. 89.3.3



Canceling  
12<sup>th</sup> Sheet No. 89.3.3



Chugach Electric Association, Inc.

**NET METERING SERVICE (CONTINUED)**  
(Applicable to Eligible On-Site Generation Systems 25 kW or Less)

**Conditions (Continued)**

- 8) Chugach may request by tariff advice letter to adjust the limit on total nameplate capacity of eligible consumer generation systems participating in the net metering program above 5.0 percent of the electric utility's average retail demand. C
- 9) Chugach reserves the right to limit net metering installations in portions of its distribution system that are reasonably necessary to address system stability constraints or other operational issues. Chugach shall notify the Commission no later than 30 days after refusal to interconnect with a consumer requesting net metering service.
- 10) Chugach may require the installation of additional metering equipment for net metering consumers, including the metering of individual generating facilities. For these installations, Chugach is responsible for all costs related to the purchase, installation, and maintenance of the additional metering equipment and the customer shall not be assessed any recurring charges for the additional metering equipment.
- 11) Chugach expects net metering customers to acquire liability insurance to cover any damages caused to the Chugach system by the consumer generation system, if that coverage is available at a reasonable cost to the consumer.
- 12) Pursuant to 3 AAC 50.910 (d), below is a summary of Chugach's average retail demand, maximum allowed nameplate capacity of eligible net metered generation facilities on the system, and total nameplate capacity of net metered customers:
  - a. Average retail demand (calendar year 2020): 224,507.43 kW
  - b. Maximum allowed net metered nameplate capacity (5.0 % of (a)): 11,225.37 kW C, I
  - c. System net metered generation capacity: 2,744.41 kW

Tariff Advice No. 516-8

Issued by:  
Chugach Electric Association, Inc.  
P.O. Box 196300 Anchorage, Alaska 99519-6300

Effective: February 28, 2022

RCA No. 121 Original Sheet No. 55



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Sheet No.

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STATE OF ALASKA  
REGULATORY COMMISSION OF ALASKA

Chugach Electric Association, Inc.

RCA No. 121 1<sup>st</sup> Revision Sheet No. 55



Canceling

Original

Sheet No. 55



Chugach Electric Association, Inc.

## 10. NET METERING

10.1 Eligibility. A retail customer may interconnect and operate in parallel an eligible customer generation system on the customer's side of the utility's meter in accordance with this rule.

- (a) Eligible customer generation systems will not be permitted to interconnect with the utility's system if allowing the eligible customer generation system to be connected to the utility's system would result in the total nameplate capacity, as defined in 3 AAC 50.949(16), of all net metered generation exceeding 1.5 percent of the utility's average retail demand during the prior calendar year as set forth in Section 10.6.
- (b) The utility may refuse to allow a customer to connect, or to maintain connected, net metered generation if the customer sells electric energy to the utility under a contract that allows the customer to collect more than the non-firm power rate per kilowatt-hour set forth in Rate Schedule 500 of this tariff for the electric energy sold.
- (c) Subject to any required regulatory approvals, the utility may refuse to allow a customer to connect an eligible customer generation system if such refusal is reasonably necessary to address system stability constraints or other operational issues.

10.2 Interconnection. Net metered generation must be connected to the customer's facilities in accordance with the applicable requirements of Appendix A to this tariff, "Interconnection and Operating Requirements For Non-Utility Generation Up to 5,000 kVA."

10.3 Application. Prior to connecting an eligible customer generation system, a customer shall submit a completed Interconnection *Application for Non-Utility Generation: Class A-Net Facilities* included in Appendix A.

10.4 Metering. The meter used by the utility to measure the quantity of electrical energy and electrical demand for billing purposes shall be capable of accurately measuring the flow of electric energy both to and from the utility's system, so that the "net electric energy", as defined in 3 AAC 50.949(17), over any billing period can be accurately determined. The utility may install, at the utility's expense, additional metering that directly measures the output of the net metered generation. If the utility elects to install such metering, the customer and the utility shall agree on a meter location that provides the utility with reasonable access to the additional metering.

## NET METERING SERVICE (Applicable to Eligible On-Site Generation Systems 25 kW or Less)

D, N

Available on a first-come, first served basis to retail customers that operate and own or lease eligible on-site generation system(s) that are interconnected and operate in parallel with Chugach's distribution facilities. Generation systems shall contain a nameplate capacity of 25 kW or less per customer premises and be used primarily to offset part or all of the consumer's electric energy requirements.

Service under this schedule is available until the cumulative nameplate generating capacity of all retail net metered systems equals 5.0 percent of Chugach's average retail system demand. Chugach may limit net metering installations in portions of its distribution system that are reasonably necessary to address system stability constraints or other operational issues.

### Monthly Rates

Electric bills for net metered consumers shall be computed in accordance with the applicable retail service rates contained in this operating tariff, with electric energy (kWh) calculated as follows:

- 1) If Chugach furnished more electric energy to the consumer than the consumer supplied to Chugach during the monthly billing period, Chugach shall bill the consumer for the number of kWh of net electric energy supplied by Chugach to the consumer at the applicable retail rates contained in the operating tariff; or
- 2) If the consumer supplied more electric energy to Chugach than Chugach supplied to the consumer during the monthly billing period, Chugach shall credit the consumer's account with an amount derived by multiplying the kWh of net electric energy supplied by the consumer to Chugach by the non-firm buyback power rate contained on Tariff Sheet No. 103.

Dollar amounts credited to the account of a net metered consumer shall be used to reduce amounts owed by the consumer in subsequent monthly billing periods. Dollar amounts credited do not expire or otherwise revert to Chugach. Unused credits will be paid to the consumer in the event electric service is terminated.

D, N

Pursuant to U-18-102(51)/U-19-020(46)/U-19-021(46)

Tariff Advice No.

Issued by:

Chugach Electric Association, Inc.

P.O. Box 196300 Anchorage, Alaska 99519-6300

Effective: December 23, 2020

Tariff Advice No. 394-121

Issued by:

Chugach Electric Association, Inc.

P.O. Box 196300 Anchorage, Alaska 99519-6300

Effective: February 28, 2022

RCA No. 121 Original Sheet No. 55.1



Canceling

Sheet No. 55.1

Chugach Electric Association, Inc.



**NET METERING SERVICE (CONTINUED)**  
(Applicable to Eligible On-Site Generation Systems 25 kW or Less)

**Conditions**

- 1) Non-Utility Generator may not commence Parallel Operation of generation facilities without final written approval from Chugach.
- 2) Installation and operation of Non-Utility Generators must be in conformance with Chugach requirements and all applicable federal, state and local safety codes and regulations. At a minimum, interconnections must be consistent with the most current interconnection standards approved by the Commission and with IEEE 1547 standards.
- 3) All customer on-site generation systems interconnected and operating in parallel with Chugach's electric system shall be in compliance with the interconnection and operating guidelines contained in Appendix A to this tariff, "Interconnection and Operating Requirements for Non-Utility Generation up to 5,000 kVA."
- 4) Any customer applying for net metering service shall submit a completed application (Application for Non-Utility Generation: Class A – Net Facilities) contained in Appendix A of Chugach's operating tariff.
- 5) To be eligible for interconnection under a net metering program, a consumer generation system must:
  - a. Include an electric generator and its accompanying equipment package;
  - b. Be physically interconnected to the consumer's side of the meter from which Chugach provides electric service to the consumer;

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Sheet No. 55.2

Chugach Electric Association, Inc.



**NET METERING SERVICE (CONTINUED)**  
(Applicable to Eligible On-Site Generation Systems 25 kW or Less)

**Conditions (Continued)**

- c. Generate electric energy from one or more of the following sources:
  - (A) Solar photovoltaic and solar thermal energy;
  - (B) Wind energy;
  - (C) Biomass energy, including landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters, or municipal solid waste;
  - (D) Hydroelectric, geothermal, hydrokinetic energy or ocean thermal energy; and,
  - (E) Other sources as may be approved by the Regulatory Commission of Alaska that generally have similar environmental impacts.
- d. Be operated and either owned or leased by the consumer, and
  - (A) Have a total nameplate capacity of no more than 25 kilowatts per consumer premises;
  - (B) Be located on the consumer premises;
  - (C) Be used primarily to offset part or all of the consumer's requirements for electric energy; and
  - (D) Include an inverter adequate to ensure the generated power is compatible with the Chugach system.
- 6) Chugach reserves the right to refuse net metering service to a customer if interconnection causes the total nameplate capacity of all eligible consumer generation systems participating in net metering to exceed 5.0 percent of Chugach's average retail demand.
- 7) Chugach will not terminate net metering service to any customer in the event Chugach's average retail demand decreases such that the nameplate capacity of existing net metered customers exceeds 5.0 percent of Chugach's average retail demand.

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RCA No. 121 1<sup>st</sup> Sheet No. 56



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Chugach Electric Association, Inc.

10.5 Billing and Charges. Customers with net metered generation will be charged for service, including net flow of electric energy, under the applicable rate schedule for their service except that if there is a net flow of electric energy from the customer's facilities to the utility's system over a billing period, the customer shall receive a credit equal to the product of the net flow of energy during the billing period and the non-firm energy rate set forth in Rate Schedule 500 effective at the end of the billing period. The credit shall be applied against future charges until exhausted. Any unused credit existing at the time of termination of the customer's electric service shall be refunded to the customer without interest.

10.6 Demand and Capacity Information.

- a. Average retail demand, calendar year 2020: 224,507.43 kW I
- b. Maximum allowed net metered nameplate capacity, 1.5% of (a): 3,367.61 kW I,T
- c. System net metered generation capacity: 2,744.41 kW I,T  
D

RCA No. 121 2<sup>nd</sup> Revision Sheet No. 56



Canceling  
1<sup>st</sup> Revision

Sheet No. 56



Chugach Electric Association, Inc.

**NET METERING SERVICE (CONTINUED)**  
(Applicable to Eligible On-Site Generation Systems 25 kW or Less)

D, N

**Conditions (Continued)**

- 8) Chugach may request by tariff advice letter to adjust the limit on total nameplate capacity of eligible consumer generation systems participating in the net metering program above 5.0 percent of the electric utility's average retail demand.
- 9) Chugach reserves the right to limit net metering installations in portions of its distribution system that are reasonably necessary to address system stability constraints or other operational issues. Chugach shall notify the Commission no later than 30 days after refusal to interconnect with a consumer requesting net metering service.
- 10) Chugach may require the installation of additional metering equipment for net metering consumers, including the metering of individual generating facilities. For these installations, Chugach is responsible for all costs related to the purchase, installation, and maintenance of the additional metering equipment and the customer shall not be assessed any recurring charges for the additional metering equipment.
- 11) Chugach expects net metering customers to acquire liability insurance to cover any damages caused to the Chugach system by the consumer generation system, if that coverage is available at a reasonable cost to the consumer.
- 12) Pursuant to 3 AAC 50.910 (d), below is a summary of Chugach's average retail demand, maximum allowed nameplate capacity of eligible net metered generation facilities on the system, and total nameplate capacity of net metered customers:
  - a. Average retail demand (calendar year 2020): 224,507.43 kW
  - b. Maximum allowed net metered nameplate capacity, (5.0 % of (a): 11,225.37 kW
  - c. System net metered generation capacity: 2,744.41 kW

D, N

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